



CONTENT STANDARD

Students in Wisconsin will use financial procedures to make decisions about planning, organizing, and allocating resources.

Rationale: Making wise decisions is essential for the economic well being of our country. Students need financial knowledge to ensure they make the best decisions both personally and professionally. Whether it is daily transactions or investments for their future, students must understand how to use resources to develop economic growth.

PERFORMANCE STANDARDS

- C.12.1 Calculate simple interest on loans
- C.12.2 Maintain and reconcile a checking account
- C.12.3 Prepare a budget of personal income and expenses
- C.12.4 Explain the use of credit cards, bank cards, debit cards, credit ratings, and loan applications
- C.12.5 Construct and read charts, tables, and graphs that summarize data from real world situations
- C.12.7 Contrast rental, lease, or purchase options of property
- C.12.8 Prepare a simple income tax form
- C.12.9 Contrast short and long-term investment options

Calculate Simple Interest

Standards

- C.12.1 Calculate simple interest on loans (see M D.12.3)
C.12.6 Use calculators appropriately to aid computations and understanding (see M B.4.5)

Directions

For the following scenario, calculate the amount of simple interest and the total to be repaid during the life of the loan using the information for each financial institution. To determine the amount of interest and the total to be repaid, use a calculator. Record your calculations on the Interest Calculation worksheet. Finally, determine which scenario is best for you, the consumer, based on cost and record it on the worksheet.

Scenario

You are in the market for a used car. After looking at your budget, you have determined that the maximum you can spend for a used car is \$10,000. You are planning on repaying this loan over a period of three or four years. You are shopping around for the best loans available to you by going to local financial institutions. The three financial institutions in your area have different interest rates and repayment periods. Determine which of the three financial institutions can provide you with the best deal based on cost by using the information that follows:

MAIN STREET BANK

Simple interest rate of 7%

Repayment period of four years

YOUR SAVINGS BANK

Simple interest rate of $6\frac{3}{4}\%$

Repayment period of three years

ALPHA CREDIT UNION

Simple interest rate of $7\frac{1}{4}\%$

Repayment period of four years

Interest Calculation

Directions: Using the information provided in this activity, complete this worksheet.

Financial Institution	Interest Rate	Length of Loan	Total Amount of Interest	Total Amount to be Repaid

Which financial institution will provide the best loan based on cost?

Student Name _____ Date _____

Calculate Simple Interest Scoring Guide

Scoring Standard

You must achieve a "yes" rating on each criterion to demonstrate competence.

Rating Scale

Yes= Completed the item accurately and completely.

No= Did not complete the item accurately or the work is incomplete.

Scoring Guide

Criteria	Rating	Comments
1. You identify the interest rate for the loan from each financial institution	Yes No	
2. You identify the length of time for the loan from each financial institution	Yes No	
3. You use the correct formula ($\text{Interest} = P \times R \times T$, where P is principal, R is interest rate, and T is time) to determine the amount of simple interest on the loan from each financial institution	Yes No	
4. You determine the total amount to be repaid during the life of the loan for each financial institution; principal plus interest	Yes No	
5. You determine which financial institution provides the best loan to the consumer based on cost	Yes No	

Teacher _____ Date _____

Directions to Teacher

Review the directions, scoring guide, and worksheet with students. The answers are as follows:

FORMULAS:

Interest = Principal x Rate x Time

Total to be Repaid = Principal + Interest

1. Main Street Bank

Interest=\$2,800

Total repayment=\$12,800

2. Your Savings Bank

Interest=\$2,025

Total repayment = \$12,025

3. Alpha Credit Union

Interest = \$2,900

Total repayment: \$12,900

THE BEST CHOICE is Your Savings Bank

Maintain a Checking Account

Standards

- C.12.2 Maintain and reconcile a checking account
- C.12.6 Use calculators appropriately to aid computations and understanding (see M B.4.5)

Directions

In this activity you will do the necessary research in preparing to open a checking account and then maintain and reconcile a sample account.

Part I

1. Contact a local bank and identify two of their checking account options.
2. Compare the two options and present the following information for each option in a chart:
 - a. service charges
 - b. number of checks that can be written each month
 - c. options for check printing
 - d. interest bearing options
 - e. advantages and limitations of each checking plans.

Part II

For this part of the assessment, your instructor will provide you with checks and a check register showing checks written in the previous month.

1. Open an account, write the checks as directed, and record your checks in the check register.
2. You will be provided bank statements showing checks and deposits processed in the previous month. Using a reconciliation form provided, determine if the balance in your check register agrees with the bank statement balance. Use a calculator to aid you in your computations and to verify accuracy.

Student Name _____ Date _____

Maintain a Checking Account*Scoring Standard*

You must achieve a rating of at least "1" on each criterion to demonstrate competence.

Rating Scale

2= Work is of highest quality, answers are correct

1= Work is complete and most answers are correct

0= Work is incomplete or incorrect

Scoring Guide

Criteria	Rating	Comments
1. You create a chart that identifies two options for checking account plans from a local bank including service charges, number of checks that can be written each month, options for check printing, interest bearing options and advantages and limitations of these checking plans	2 1 0	
2. You write out checks properly	2 1 0	
3. You record checks in check register and calculate correct balance	2 1 0	
4. You reconcile the checking account with bank statement balance	2 1 0	

Teacher _____ Date _____

Directions to Teacher

Internal Training Services (ITS) has educational materials called YOUR CHECKING ACCOUNT, which includes an introductory text, a supply of checks, a check register, and set of bank statements. After learning how to open an account, keep records and reconcile the monthly statement, students actually maintain their own accounts for a simulated 8-month period. Other banking services such as wire transfers, pre-authorized payments, certified checks and the use of ATM's are incorporated throughout the program. A post-test and Teacher's Manual including originals suitable for reproduction are also provided. ITS intends to provide this practice set to businesses for purchase with the idea that the businesses provide them to the schools free of charge. Contact your local banks to determine how you may acquire these materials. Internal Training Services is located at 333 West State Street, Media, PA 19063; (610) 566-7408.

Prepare a Budget

Standard

C.12.3 Prepare a budget of personal income and expenses

Directions

You have just graduated from college, moved to the city of your dreams, and have been hired for the job you have been preparing for since high school! You are making \$25,000 a year. Your task is to develop a monthly budget to help you meet your expenses and save for the future.

1. Design a personal budget spreadsheet that includes your gross yearly income, gross monthly income, amount of taxes you will pay, and net monthly income, calculates your total monthly expenses and figures the amount of discretionary income--fun money--you will have left at the end of each month. For monthly expenses be sure to include the following:

- Housing (mortgage or rent)
- Automobile (monthly payment if you will have one and gas)
- Credit card and debt repayment (in addition to any other credit card debt you owe, you have a student loan repayment of \$75.00 per month)
- Utilities (water, electric, gas garbage, etc.)
- Telephone (if you have a cellular phone or pager figure the monthly cost of that as well)
- Clothing
- Food
- Household furnishings
- Healthcare insurance, doctor and dentist visits, prescription drugs
- Auto insurance
- Auto maintenance
- Savings/IRA/Retirement
- Miscellaneous Expenditures
- Entertainment (movies, eating out, recreational expense)
- Alcohol and tobacco use

You will need to do some research to determine your basic living expenses. Use newspapers to determine housing/rent, automobile expenses. Talk with your parents or other adults about basic living expenses. Your teacher may provide ball park numbers for some of the categories. For the purposes of this example you may not live at home with your parents. Record the expenses on your spreadsheet without trying to consciously "balance" the budget at this point. Print your spreadsheet.

2. Evaluate your completed budget to decide if you can afford your style of living and determine what items you could change. Revise your budget on the spreadsheet. On a separate sheet of paper, note the specific changes you will make to balance your budget (live with a roommate, drive an older car, dispose of your pager, etc.). Print your revised budget.
3. Submit copies of your initial budget, revised budget, and written analysis of your budget (noting changes you made to balance the budget) to your teacher for evaluation.

Student Name _____ Date _____

Personal Budget

Scoring Standard

You must achieve a rating of “satisfactory” on each criterion to demonstrate competence.

Rating Scale

S= Satisfactory; completed the criterion accurately and completely

U= Unsatisfactory; did not cover the criterion accurately and completely.

Scoring Guide

Criteria	Rating	Comments
1. Budgets include housing expense	S U	
2. Budgets include automobile expense (including auto insurance and maintenance)	S U	
3. Budgets include debt repayment expense	S U	
4. Budgets include utility expenses	S U	
5. Budgets include telephone expenses	S U	
6. Budgets include clothing expenses	S U	
7. Budgets include food expenses	S U	
8. Budgets include household furnishings	S U	
9. Budget includes healthcare expenses	S U	
10. Budget includes savings/IRA/retirement	S U	
11. Budget includes recreation expenses	S U	
12. Second budget is balanced	S U	
13. Second budget is realistic	S U	
14. Written summary documents changes necessary to balance the budget	S U	
15. Work is professionally presented	S U	

Teacher _____ Date _____

Directions to Teacher

1. Students will need to use spreadsheet software to complete this activity. If you do not have access to the software (or learners do not know how to use it) the project can be completed with pencil/paper and a calculator. Revise the directions as necessary if you will not be using the spreadsheets.
2. Review the directions and scoring guide with students. Assist students in locating appropriate figures for monthly expenses. You might divide learners into groups to do research over the phone or using newspapers or Internet resources. Post the group findings on the board or create a handout with the expense options. (For example, one group might research (using a newspaper) actual rental options for your town or city. They would also determine the utility expenses (if any) for the options. Another group might research long distance carrier options for telephone expenses. Another group could research 3 healthcare options. Etc.)
3. After the initial budgets are completed, discuss ways to balance them.

Credit: Buy Now, Pay Later

Standard

- C.12.4 Explain the use of credit cards, bank cards, debit cards, credit ratings, and loan applications

Directions

For this activity you will explore the world of credit.

1. Your teacher will divide you into small groups or pairs. As a group, research the information on the Credit: Buy Now Pay Later activity sheet. Use the Internet, your textbooks, brochures and pamphlets from local banks, etc., to find your answers.
2. On your own write a one- to two-page report on credit using the information you gathered on your activity sheet. Incorporate the following in your report:
 - Explain uses and terms of debit cards, credit cards and bank cards
 - Differentiate between national credit card companies and department store credit cards
 - Explain how credit ratings are established for individuals and how they are used by banks and businesses granting credit
 - Explain the information needed in filling out a loan application correctly
 - Explain the considerations made by loan officers in determining approval of a loan application
 - Differentiate between borrowing money from local banks versus finance companies

Your report must be word processed, 1-2 pages, double-spaced

3. Submit your report along with the scoring guide to your teacher for evaluation. Make sure your report meets all of the requirements on the scoring guide.

Credit: Buy Now, Pay Later

Directions: Answer the following questions to help you prepare for your Credit Paper.

1. Compare an actual example of a credit card, bank card and debit card using the following chart.

Name of the Card	Uses	APR	Annual Fee	Special Benefits
Credit Card:				
Bank Card:				
Debit Card:				

2. What is the difference between national credit cards and department store credit cards?
3. How are credit ratings established for individuals?
4. How are credit ratings used by banks and businesses in granting credit?
5. What information is typically required on a loan application?
6. How do loan officers determine if they will approve a loan application?
7. What is the difference between borrowing money from a local bank versus a finance company?

Student Name _____ Date _____

Credit: Buy Now, Pay Later*Scoring Standard*

You must achieve a rating of at least "1" on each criterion to demonstrate competence.

Rating Scale

2= Work is of the highest quality, information is accurate and correct

1= Work meets minimum standards, some information may be missing

0= Work does not meet the minimum standards

Scoring Guide

Criteria	Rating			Comments
1. Report includes an explanation of the uses and terms of debit cards, credit cards and bank cards	2	1	0	
2. Report includes the difference between national credit card companies and department store credit cards	2	1	0	
3. Report includes an explanation of how credit ratings are established for individuals and how they are used by banks and businesses in granting credit	2	1	0	
4. Report includes an explanation of the considerations made by loan officers in determining approval of a loan application	2	1	0	
5. Report includes an explanation of the difference between borrowing money from local banks versus finance companies	2	1	0	
6. Report is word-processed, double-spaced	2	1	0	
7. Report is professionally presented (spelling, grammar, mechanics)	2	1	0	

Teacher _____ Date _____

Directions to Teacher

1. Before assigning the project, assemble materials on credit. Check with local banks and financial institutions for information regarding credit, bank cards, loans, etc. In addition, you may be able to obtain pamphlets and printed information from the major credit card companies (i.e., MasterCard) or Federal Trade Commission/Bureau of Consumer Protections/Office of Consumer & Business Education (202) 326-3650. Before assigning this project, you might ask a local banker or loan officer to speak to the class regarding the loan application and approval process.
2. Divide students into small groups or pairs to do the initial research. Make sure each student has a copy of the Credit: Buy Now, Pay Later activity sheet. Allow time for research.
3. Review the directions and scoring guide for the project.

Standard

C.12.5 Construct and read charts, tables, and graphs that summarize data from real world situations (see M F.12.2)

Prompt

You have just inherited \$100,000 from your rich Aunt Suzie! After much thought and contemplation, you have decided to invest in the stock market.

Directions

1. Use any available resources, newspapers, the Internet, corporate annual reports, etc., to research the companies you would like to invest in. You must "diversify" and invest in a minimum of three different companies. Determine how many shares of each company stock you'd like to purchase, being sure to use as much of your inheritance as possible.
 2. Using the Internet or the newspaper, track your stock prices for a two-week period. Record your stock prices day by day on a spreadsheet or piece of paper.
 3. At the end of the two-week period, create the following visuals:
 - A line chart showing the trend for each stock you purchased. You may use a spreadsheet software or paper, pencils, pens and markers.
 - A pie chart showing each stock and any remaining cash balance (in other words your entire portfolio). You may use spreadsheet software or paper, pencils, pens, and markers.
 4. Give an oral report to the class on the following:
 - The stocks you purchased and why
 - The results of your individual stock performances
 - Any major fluctuations that occurred and the reason for the fluctuations
 - Your final portfolio value and any gain or loss during the period
- Use your two visual aids in your presentation.

Student Name _____ Date _____

Invest It

Scoring Standard

You must achieve a rating of at least "1" on each criterion to demonstrate competence.

Rating Scale

2= Exceeds expectations; work is of the highest quality

1= Meets expectations; some parts may need additional work or redesign

0= Does not meet expectations; major components are missing, incorrect or incomplete

Scoring Guide

Criteria	Rating	Comments
1. You explain your stock choices and rationale in an oral report	2 1 0	
2. You share the results of the individual stock choices	2 1 0	
3. You explain any major fluctuations that occurred in your stock choices	2 1 0	
4. You create a line chart and a pie chart and explain them during your presentation	2 1 0	
5. The line chart includes the x- and y- axis labels	2 1 0	
6. The line chart accurately depicts the trend for each stock during the two-week period	2 1 0	
7. The line chart is easily readable	2 1 0	
8. The pie chart includes a legend explaining the data	2 1 0	
9. The pie chart shows the value of each stock and the remaining cash balance	2 1 0	
10. The pie chart is easily readable	2 1 0	
11. You identify the final portfolio value and any gain or loss	2 1 0	

Teacher _____ Date _____

Directions to Teacher

1. Review the directions and scoring guide.
2. Direct students to use as much of the \$100,000 as possible in purchasing their stocks.
3. To make this a contest, you could award a prize to the student whose portfolio value increased the most during the two weeks.

Rent, Lease, or Purchase

Standard

C.12.7 Contrast rental, lease, or purchase options of property

Directions

For this activity you will determine the best choice for a series of scenarios: rent, lease or purchase. You will work alone or with a partner to complete this activity.

1. Review the directions, scoring guide, and the Rent, Lease or Purchase activity sheet.
2. Read through the scenarios. Choose one scenario to research. Research advertisements in the newspaper or on the Internet for rental property, lease property and purchase options to meet the needs in the scenario. Cut out or copy your findings.
3. Complete the Rent, Lease or Purchase activity sheet. You may need to contact the person (agency) in the advertisement to gain some of the information. Review the rental, lease and purchase agreements provided by your teacher.
4. Submit your activity sheet and scoring guide to your teacher for evaluation.

Scenarios

1. John is moving away from home to attend a 2-year college. There isn't any housing on campus.
2. Betty is moving to a new location for a six-month internship while she is in college.
3. Tom and Ann are starting a new restaurant business. They want a nice location, but their resources are limited.
4. Fred needs to expand his manufacturing business. He has been in business for 10 years already. He's been leasing part of a building. He can't get more space where he is presently located, so he needs to move.
5. Jane and Brian have been married for 5 years. They are both working full-time (combined income is approximately \$60,000 dollars). They are expecting their first child. The lease on their apartment runs out the end of next month. They need to move.

Rent, Lease or Purchase

Directions: Use this sheet to compare the options of rent, lease, or purchase. Your teacher may add additional factors for you to research.

Factors	Rent	Lease	Purchase
Property Description			
Terms			
Fees			
Monthly Payment			
Advantages of the Option			
Disadvantages of the Option			



Questions

1. In what situation is **renting** the best choice?

2. In what situation is **leasing** the best choice?

3. In what situation is **purchasing** the best choice?

4. Which scenario did you choose?

5. What is the best option for your scenario and why?

Student Name _____ Date _____

Rent, Lease, or Purchase*Scoring Standard*

You must achieve a rating of at least "1" on each criterion to demonstrate competence.

Rating Scale

2= Exceeds expectations; work is of the highest quality

1= Meets expectations; some items may need additional work or redesign

0= Does not meet expectations; major components are missing, incorrect or incomplete

Scoring Guide

Criteria	Rating			Comments
1. You identify properties that can be rented, leased and purchased	2	1	0	
2. You explain the terms for the rental, lease, and purchase options	2	1	0	
3. You identify advantages of the rental, lease, and purchase options	2	1	0	
4. You identify the disadvantages of the rental, lease, and purchase options	2	1	0	
5. You identify situations in which rental, leasing, and purchasing are the most logical option	2	1	0	
6. You determine whether the people in your scenario should rent, lease, or purchase and defend your choice	2	1	0	
7. Your work is completed neatly and turned in on time	2	1	0	

Teacher _____ Date _____

Directions to Teacher

1. Lead a discussion over the differences between renting, leasing and purchasing property. If possible, obtain sample legal documents to enhance your discussion.
2. Determine whether the student will complete the assignment alone or in pairs. Hand out copies of the directions and the Rent, Lease or Buy activity sheet. Review the directions and scoring guide. You may want to revise the scenarios to fit the kind of information you want learners to research. Review the factors on the Rent, Lease or Buy activity sheet. Make revisions or additions.
3. Allow time for students to research information. Make publications, newspapers, or the Internet available to students.

Standard

C.12.8 Prepare a simple income tax form

Directions

1. Complete a Federal Form 1040A accurately, completely, and legibly using the information provided in the scenario below. Your instructor may provide you with forms, directions and information necessary, or direct you to the Internal Revenue Service website (www.irs.ustreas.gov) where you can download the necessary tax forms and information.
2. List the supporting documents you would need to send with your tax form.
3. List the correct street address and/or on-line address to mail your tax forms and supporting documents.
4. Submit your completed 1040A, list of supporting documents, mailing information and scoring guide to your instructor for evaluation.

Scenario

You are Eric H. Richards. You are 16 years old, single, and have good eyesight. You worked as a clerk and earned a total of \$3,200 as reported on the Form W-2. You can be claimed as a dependent on your parents' return. You want to contribute \$3 to the Presidential Election Campaign Fund.

Eric H. Richards

514 Tenth Street, Bryan, KY 54612

Social Security No. 059-00-3212

Amount of federal tax withheld and reported on Form W-2: \$145

Interest income from Bryan National Bank reported on Form 1099-INT: \$900

Student Name _____ Date _____

Tax Time

Scoring Standard

You must achieve a rating of "yes" on each criterion to demonstrate competence.

Rating Scale

Yes= Met the criterion accurately and completely

No= Did not meet the criterion; work is inaccurate or incomplete

Scoring Guide

Criteria	Rating	Comments
1. You determine the correct filing status	yes no	
2. You calculate gross income, adjusted gross income and taxable income	yes no	
3. You locate the correct tax amount from the tax table found in the directions or on-line	yes no	
4. You determine any refund or amount owed	yes no	
5. You complete the tax form legibly	yes no	
6. You sign the tax form	yes no	
7. You identify all of the supporting documents needed	yes no	
8. You identify the correct mailing address for submitting the form	yes no	

Teacher _____ Date _____

Directions to Teacher

Direct students to complete all parts of the tax form, including the signature. Provide students with access to instructions as necessary either in paper form or on-line.

This project was taken from the 1998 Understanding Taxes Teacher's Resource Kit. It is available free to educators. The address for educators in Wisconsin is:

310 W. Wisconsin Avenue

Stop 6712 MIL

Milwaukee, WI 53203-2221

Phone: (414)297-3302

Toll Free: 1(800)829-1040

Contrast Short- and Long-Term Investment Options

Standard

C.12.9 Contrast short- and long-term investment options

Directions

For this activity you will decide what short- or long-term investment options you would suggest in the scenarios listed below. Record your suggestions on the Short- and Long-Term Investments activity sheet. Use the six investment criteria: safety, high liquidity, high return, growth, reasonable purchase price, and tax benefits.

Scenario

1. Your friend Amanda is a junior in high school. She is planning on going away to college after she graduates, but doesn't have much money set aside for tuition and other expenses. She received \$1,000 from her aunt as a gift. She is asking for your advice about what to do with this money. What do you recommend?
2. Paul would like to invest \$10,000 that he inherited from his grandparents. He would like to have the money for his daughter's college education starting in seven years. He does not like to take a lot of risks because he cannot afford to lose the money.
3. You are able to save \$50 each month. Describe the goal you are working toward. Describe how you would invest this money in order to reach your goal.

Short- and Long-Term Investments

Directions: Recommend a short- or long- term investment for each of the scenarios listed below:

1. Your friend Amanda is a junior in high school. She is planning on going away to college after she graduates, but doesn't have much money set aside for tuition and other expenses. She received \$1,000 from her aunt as a gift. She is asking for your advice about what to do with this money.
 - a. What kind of investment do you recommend, short-term or long-term?
 - b. What investment criteria did you use to make your decision?
2. Paul would like to invest \$10,000 that he inherited from his grandparents. He would like to have the money for his daughter's college education starting in seven years. He does not like to take a lot of risks because he cannot afford to lose the money.
 - a. What kind of investment do you recommend, short-term or long-term?
 - b. What investment criteria did you use to make your decision?
3. You are able to save \$50 each month. Describe the goal you are working toward and how you would invest this money in order to reach your goal.



Student Name _____ Date _____

Contrast Short and Long-term Investment Options*Scoring Standard*

You must achieve a rating of at least "1" on each criterion to demonstrate competence.

Rating Scale

2= Exceeds expectations; work is of the highest quality

1= Meets expectations; some areas may need additional work

0= Does not meet expectations; major areas are incomplete or incorrect

Scoring Guide

Criteria	Rating			Comments
1. You determine which investment choice you think is best for each scenario	2	1	0	
2. You use the six investment criteria as a basis for making the decision	2	1	0	
3. You explain your decisions and the rationale behind them	2	1	0	
4. You describe an investment strategy for yourself	2	1	0	
5. Your work is completed neatly	2	1	0	
6. Punctuation, spelling, and grammar are correct	2	1	0	

Teacher _____ Date _____



Directions to Teacher

None.

